

Oregon, Senator Hitchcock being absent. This spoils an otherwise utterly denouncing by Senators Root, Cummins, Brewster and Sutherland.

"Of all the bad things in this bill, this is the worst, the most indefensible," said Senator Brewster. "It is the limit. The reason for the haste and hurry to get this bill through is now cleared up."

"It is not only to relieve the financial distress in which the country is placed because of the Democratic policies, but it will satisfy the hordes of hungry office seekers Democrats who have been thronging Washington for the last six months."

"You propose to unload them on the new banking system of the country. It is unnecessary, unjustifiable. If any reason should arise for excepting some of these places from all service there is a power in the President by executive order to do it."

"He is exercising that power every day and his predecessors have exercised it too often, I think, and generally in the interest of politics, but we have come to a pretty pass."

"Andrew Jackson destroyed the United States Bank because it was charged it had got into politics. Now you Democrats propose to create a Government bank and put it into politics. The civil service examinations will produce a class of men better qualified to fill these places than would be recommended by Senators and Representatives, for the politicians would recommend only those who would service rendered or to be rendered."

"They would be recommended solely because they could be useful in politics. This is a beautiful, a delightful, a charming in this enlightened age of civil government."

"Are we going back to the spoils system? This spoils system will bring down on your head the condemnation of the people of the country. They will not stand for it."

Senator Lodge's Letter.

Senator Lodge's letter characterizing the Owen bill as "both perilous and unsound," was read by Senator Weeks.

"Throughout my life," wrote Senator Lodge, "I have supported all measures designed to take the Government out of the banking business."

"I voted for the withdrawal of the Treasury notes and hoped that should have to see the legal tenders also withdrawn, the Government confined to coinage, gold, silver and copper, and wholly free from responsibility from note issues."

"I believe very strongly that banking should be done and bank notes issued by banks rapidly supervised by the Government, but that the Government itself should have no part in either function. This bill puts the Government into the banking business as never before in our history and makes it a permanent feature of the Government when they should be bank notes."

"The bill as it stands seems to me to open the way to a vast field of speculation. There is a necessity of dwelling upon this point after the remarkable and most powerful argument of the Senator from New York. I will merely add that I do not think that any law can be passed which will make it possible to summarize the gold standard in a flood of irredeemable paper currency."

Senator Hitchcock withdrew from the contest at 2 o'clock and Chairman Owen began submitting amendments made in the party caucus last night or approved by the Owen wing of the Banking and Currency Committee.

Some of the Amendments.

Among the amendments submitted by Chairman Owen that were adopted without the formality of a roll call were the following:

Admitting trust companies in the District of Columbia to membership in the regional associations on the same conditions as those prescribed for member banks in the states and Territories and the District of Columbia.

Amending the language of the bill to remove the limitation now proposed by the national banking act on note issues based upon bonds, which limit to six percent the amount of the capital stock of the bank of issuance. This statute is inconsistent with the plan for the new currency system.

Several amendments of minor importance to expedite the work of organization. Among them one allowing the organization committee to appoint the chairman of the board of government directors for the regional association.

Providing that the Federal reserve banks, authorized for the regional banks who were to be drawn from "commerce, agricultural and other pursuits," may all come from either commerce or agriculture. This was accomplished by changing the word "and" to the word "or" following "agriculture."

Authorizing the Secretary of the Treasury in his discretion to use the surplus net earnings of the Federal reserve banks either for the payment of interest in the Treasury or to retire the interest bearing obligation of the Government.

Increasing the salaries of the members of the Federal reserve board from \$100,000 a year, as proposed in the Owen bill, to \$125,000.

First Vote Was Close.

The first vote of the day came on a motion to table an amendment proposed by Senator Hitchcock to increase the amount of gold reserve required to be maintained in the Treasury Department by the regional associations against note issues from 40 to 45 per cent, as the Democratic caucus had decreed last night. The motion to table was adopted by a vote of 42 to 36. The negative votes were supplied by Senator Hitchcock and the Republicans.

A motion by Senator Hitchcock to require the paid up capital of each regional association to be \$5,000,000, instead of \$2,000,000, as proposed in the Owen bill, was tabled by a vote of 43 to 40.

A motion by Mr. Hitchcock to make the minimum number of regional banks six instead of eight, as proposed by the Owen bill, was tabled 43 to 40.

A proposal by Senator Hitchcock for Government control of the directors of the regional banks was tabled by a vote of 44 to 36. Senator Lodge of Oregon, a Democrat, voted with Senator Hitchcock and the Republicans on this vote.

Another amendment by Senator Hitchcock providing for public ownership of the stock of the regional association, was tabled, 41 to 37.

The final struggle by Senator Hitchcock was on his amendment offered as a substitute for the section of the Owen bill regulating the reserve requirement. Senators Burton and Brewster made a special appeal to the Democratic side not to vote down this amendment. The Democrats responded by tabled it by a vote of 40 to 35.

Bristow Takes Democrats.

Speaking to this amendment, Senator Bristow was severe on the Democrats for what he characterized as "blind subservience to the caucus yoke." Mr. Bristow said:

"There is not a Senator in this chamber who, if he consults his judgment and intelligence, will not concede that the amendment offered by the Senator from Nebraska (Hitchcock) is a real improvement in the Owen bill. But for the caucus it would be carried beyond a question of doubt."

"When I used to vote on occasion in this chamber with the Democrats on some measure, and I did so often, I was pruned by the Democrats for my independence and condemned by Republicans. I find that many of the Democratic Senators who praised me most for my independence at that time show an utter lack of independence now."

"They follow blindly and unreasonably the course marked out for them by the caucus."

"I respect these Senators personally. If I had been told a year ago that some of them would have cast the votes here that they have cast since this bill was brought in, I would not have believed it."

"I still hope that before the consideration of this bill ends there will be some slight show of independence on the Democratic side, some sign to show that Sena-



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King of Scotch

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WARBURG MAY HEAD NEW MONEY SYSTEM

Mention of Kuhn, Loeb Partner Meets Approval of Bankers Here.

IN FAVOR WITH WILSON

Reported Offer to Hill Not Taken Seriously—Many Candidates for Board.

CAPITAL PROPHETS BUSY.

Wilson More Concerned With Banking Bill Than Personnel of Board.

WASHINGTON, Dec. 18.—With the banking bill about to become a law, prophets are busy with the personnel of the Federal reserve board that will supervise the new system. The name of James J. Hill was mentioned today for chairman, but investigation here indicated that there is little ground for such reports.

The name of Paul Warburg of Kuhn, Loeb & Co. was mentioned in New York, but no confirmation of this report was obtained here.

Secretary McAdoo has recently been in conference with Ed W. Gaston of National Bank, Mr. Gaston is a warm friend of Secretary McAdoo and a Democrat. He is regarded as a possibility.

The President's advisers say he has not made up his mind who will be on the board. He is chiefly concerned now about getting the bill through Congress.

"SUN" NEWS EXCITES SENATORS.

Bristow and Owen Have a Colloquy Over an Article.

WASHINGTON, Dec. 18.—The midnight conference in the Treasury Department and elsewhere, in which Secretary McAdoo is directing the work of making a currency bill, even regulating the conference committee membership of the two houses, resulted in an airing in the Senate debate today.

Senator Bristow brought up the subject by referring to an article in The Sun of December 17 in which the statement of the midnight secret conference was told.

"Mr. President," said Senator Bristow, "I have an article which appeared in The New York Sun of December 17, an extract from which I desire to read."

After Senator Bristow had read The Sun's account of the secret conference, Chairman Owen for an explanation chiefly as to the accuracy of The Sun's dispatch saying that guaranty of bank deposits was to be eliminated by direction of Secretary McAdoo.

After a long colloquy between Mr. Bristow and Mr. Owen, the former announced that he was not satisfied with the latter's vague denial that the guaranty of deposits was to be eliminated in conference.

BALDWIN ON FEDERAL ROADS.

Points Out Dangers of Government Ownership of Lines.

HARTFORD, Conn., Dec. 18.—In an argument to expedite the Government ownership of railroads in general and the proposition of having Connecticut State directors for the New Haven road in particular, Gov. Baldwin cited the Credit Mobilier case.

"We have tried the plan of having government directors on American railroads, and it has not always proved a shining success," said the Governor, "if I recollect rightly the Federal Government had them on the Union Pacific Railroad at the time of the Credit Mobilier scandal. That was a scheme by which railroad shares were put out pretty freely by the officers of the railroad to public men whose votes were wanted or to their wives."

"I think the Government didn't catch on to the proceedings until everybody else had found them out. The president of the Union Pacific at the time was an ex-Congressman, and he testified that his road had been giving away stock in this way to put it where it would do the most good. One or two New England Senators were badly smirched in that transaction."

"I am not in favor of Government ownership of railroads except in case of real necessity. Where the State does not put any money into a railroad I do not think it likely that if it names directors they will give the attention to it which could be expected from those vitally interested as stockholders."

Tom Sharkey Is Held.

Tom Sharkey, the ex-prizefighter, whose saloon at 144 East Fourteenth street was raided on Wednesday night, was arraigned yesterday in the Essex Market court charged with keeping a disorderly house. Magistrate Herbert held him in \$1,500 bail for examination next Tuesday. Andrew Osborne, his manager, and Albert Jacobs, a waiter, were also held.

To Lift Hospital Quarantine.

MINDOLA, La., Dec. 18.—Dr. Gay Clegg, local health officer, announced today that he had ordered the quarantine of the Nessim Hospital that he would lift the quarantine on Sunday unless other patients develop the disease, and allow the hospital to open for business on Monday.

Some Democrats Desire Measure Passed at This Session.

WASHINGTON, Dec. 18.—An effort probably will be made to pass legislation at this session of Congress carrying out the recommendations of the Postmaster-General for the taking over by the Government of the telegraph and telephone lines of the country. House leaders acknowledged today that their plans contemplated the introduction of such a measure, framed under Postmaster-General Burleson's direction.

The Postmaster-General's proposal was discussed today by the House Committee on Post Offices. It is understood that there are votes enough to report favorably on such a proposal.

There will be, however, Democratic opposition to any attempt to push the legislation through at this time. It is understood that two Democratic members of the Post Office Committee have expressed themselves in opposition but this number is not sufficient to prevent a favorable report.

Some of the warmest advocates of Government ownership, it was reported today, are considering the advisability of attaching the proposed legislation as a rider to one of the appropriation bills. The entire proposition will be submitted to a Democratic caucus and if adopted will be pushed at this session.

Representative Lewis of Maryland has a bill already drawn, but he will withhold his measure pending the appearance of the Administration bill.

It is understood that Postmaster-General Burleson is greatly in favor of action at this session. The only question raised is whether it would be good politics to introduce the legislation at this time or wait until the next Congress, when elections have been held.

First Assistant Postmaster-General Rogers has been assisting Mr. Burleson in his investigation. He has submitted the report of his findings and his six months inquiry to the Postmaster-General, and it is expected that Mr. Burleson will forward it to Congress with a favorable recommendation.

"I feel that the English law decisions holding that a telegram is a letter and that the telephone is a letter and that the telegraph will sustain the Government in any move for Government ownership," Mr. Rogers said today. "We already have laws by which we can take over the telegraph lines. All we have to do to them is to apply the English principle to get the telephone system."

He indicated that there would be cooperation between the House Post Office Committee, Representative Lewis and the Department.

Marie Caslova's Violin Concert.

Marie Caslova, a violinist, gave a concert yesterday afternoon in the Hall. She played Wieniawski's concerto in D minor, Tartini's "Devil's Trill" and a number of smaller pieces. Miss Caslova proved to be a player with a well-developed finger technique, no great power with the bow. Her tone was thin and there was little style to her performance. She is quite young and probably far from the artistic stature which she may expect to acquire.

Correct Dress for Men

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Complete assortments of both haberdashery and clothes—stylish, reliable and moderately priced.

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U. S. TELEGRAPH SURE TO FAIL, SAYS MACKAY

Burleson Plan, He Asserts, Is Unauthorized by Law and Not Feasible.

WOULD COST TWO BILLIONS

Points to England's Losses and Says Government Service Would Be Joke.

Clarence H. Mackay, president of the Mackay Companies, asked yesterday what he thought of Postmaster-General Burleson's report that the Government take over the telephone and telegraph lines said.

"The Postmaster-General is mistaken in his idea that telephone companies are subject to the post roads act of Congress of 1866. The Supreme Court of the United States in the Richmond case (174 U. S. 761) held that they are not."

"In denominating the telegraph business as being 'monopolistic in its nature' he is also mistaken. If there ever has been more continuous, keen and even bitter competition than that between the Postal and the Western Union I would be pleased to know when and where."

"The money question, however, is the main question. \$200,000,000 would not be a look-in. The Bell Telephone companies alone would demand more than that. Then there are the thousands of independent telephone companies and farmers' lines scattered all over the country."

Entire Bill Two Billions.

"The entire bill, including telegraph lines, would be about \$200,000,000, which is about two-thirds of the national debt at the close of the civil war, when many intelligent men despaired of the solvency of the republic."

"Nor is this the worst. Judging from English experience that vast sum would be entirely lost because under Government management the operating expenses year by year would exceed the income."

"The following figures are taken from a report of the Postmaster-General of Great Britain showing the results of Government ownership of telegraphs in that country:

	Total annual loss including interest paid and other expenses	Actual operating money received	Loss extended
1904	\$1,000,000	\$1,000,000	\$1,000,000
1905	1,000,000	1,000,000	1,000,000
1906	1,000,000	1,000,000	1,000,000
1907	1,000,000	1,000,000	1,000,000
1908	1,000,000	1,000,000	1,000,000
1909	1,000,000	1,000,000	1,000,000
1910	1,000,000	1,000,000	1,000,000
1911	1,000,000	1,000,000	1,000,000
1912	1,000,000	1,000,000	1,000,000
1913	1,000,000	1,000,000	1,000,000

Railroads an Obstacle.

"One of the worst complications that would arise would be in regard to the telegraph lines owned by the telegraph companies and the railroad companies."

"England found this out when it took over the telegraph lines and then had to pay the railroads an enormous sum to get full control of the telegraph lines which were built on the railroads and in which the railroads had an interest, the same as in this country."

"The English railroads were not modest in their demands and the result was that a perfectly enormous and unexpected sum had to be paid by the Government to the railroads to get rid of those contracts."

"And as to service—Government service would be a joke as compared with present service. If you don't believe it just try the Government service—telegraph and telephone—in Europe."

TO PUSH OWNERSHIP BILL.

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HUERTA'S MEN LOOT AMERICANS' HOMES

Continued from First Page.

reaching here on a train from Chihuahua at 7 o'clock today. More than 800 Mexican and American refugees were aboard.

They reported that Villa's representatives were at the train and forced a number of Mexican families of wealth to pay ransoms ranging from \$1,000 to \$5,000. Louis Siquieros and his family were taken from the train and paid \$5,000 for the privilege of coming to the border. Pedro Corro, another wealthy mining man, was also forced to pay tribute to the rebel treasury.

This is the fifth refugee train out of Chihuahua in five days. The total number of foreigners who have come to the border is at least 1,400. El Paso hotels and rooming houses are crowded as a result.

Emilio Vasquez Gomez, perpetual revolutionist in Mexico, has issued his annual proclamation calling on his followers to join the new revolution, which he hopes to lead to restore Mexico to the people," according to his latest pronouncement. The raid on the Vasquezista meeting place here and the arrest of a number of men who were preparing to join the new revolt revealed the counter revolutionary plot, which Vasquez Gomez and his friends are fostering.

Vasquez Gomez hopes to get Felix Diaz to join his movement. He has sent Felipe Chazares to see Generals Calzadilla and Garza and try to induce them to quit the Huerta cause and join his backfire revolution.

The proclamation issued by Vasquez was a weak date, but it is called "Plan de Ayala." It bears a picture of the leader and covers both sides of a large sheet of paper. Vasquez Gomez declares that if Huerta had done his work and distributed the lands to the people, as he promised, the present revolution would not be in progress. He reiterates his previous announcement that he will give to each citizen of Mexico a piece of land, a horse, a mule and a cow. Vasquez Gomez claims to have the support of Zapata in the south and the moral support of Felix Diaz, who is in Cuba.

First results of Pancho Villa's proclamation forfeiting the estates and chattels of the Mexicans came today when Villa sent 2,000 head of cattle and 300 horses to the Texas border to be sold in the United States. They have not yet been brought over the line and will probably be claimed by Gen. Terrazas as stolen property when they arrive.

The General is a member of the rebel staff. His moral support, however, will have the support of that organization in combating Villa's efforts to sell his stock in the United States.

OROZCO TURNS ON HUERTA.

Inform War Office He Will Desert Unless Paid.

MEXICO CITY, Dec. 18.—Pascual Orozco, one of the leading Federal generals, has rebelled against Huerta. He sent a telegram to the War office this afternoon declaring that he and his men will take the field against the Federal forces unless he is given \$5,000 a week for himself and his troops.

WARSHIPS LEAVE TAMPIO.

British and German Cruisers Return to Vera Cruz.

Special Cable Dispatch to Tex. City.

Vera Cruz, Dec. 18.—The German cruiser Bremen returned today from Tampico.

The British cruiser Suffolk also arrived this morning from the oil port.

U. S. TROOPS KILL FEDERAL.

Two Mexican Soldiers Cross Border and Fire on Americans.

Presidio, Tex., Dec. 18.—Federal troops in Elgin were busy today battling over supplies of all kinds from Presidio. In view of Gen. Meranda's declared intention yesterday of marching against Chihuahua, it is believed that he intends to march west along the Rio Grande against Juarez or retreat south into Nuevo Leon.

Two Mexican Federal soldiers fired upon United States soldiers last night on the American side of the line two miles west of Presidio. One of the Mexicans was killed. His companion, Faustino Flores, escaped unhurt to the Mexican side. Both men were found lying on a house on the Texas side. Before Orozco died he said they came over the border with a message from their commander.

Admiral Fletcher, commanding the United States troops in this district, will demand an explanation from the Federal commander at Ojinaga.

ADMIRAL FLETCHER PRAISED.

For Protecting Tampico Refugees—Conditions There Normal.

WASHINGTON, Dec. 18.—Rear Admiral Fletcher reported today to the Navy Department that conditions at Tampico are again normal.

The German cruiser Bremen has returned to Vera Cruz after a long voyage with the other warships at Tampico. The German ship Blücher is remaining at Tampico for the present.

At the State Department it was said that reports from the Department's representative at Tampico were to the effect that high praise is due to Rear Admiral Fletcher and his officers for the way they cared for the American refugees during the recent fighting.

The Navy Department issued orders today directing the gunboat Whiting to proceed from Tampico to New Orleans as soon as possible. The gunboat is to be relieved by the gunboat Dolphin, which is to move from Tampico to New Orleans.

The battleship Michigan will remain on duty on the Mexican coast, as the Ohio which was to relieve her has been ordered from Guantanamo to Charleston, S. C., for fumigation, following an outbreak of smallpox among her crew. The battleships Connecticut and Kansas, which were detained at Guantanamo, will be ordered to proceed to Vera Cruz in a day or two to relieve the New Hampshire and Louisiana, which will return to the United States.

W. S. Windham, who has been reported on several occasions to be held by rebels in the city of Vera Cruz, telegraphed the State Department today that these reports were untrue and that he had not been molested.

Major Cassius E. Gillette

will talk on **MEXICO**

in the Auditorium of the **ENGINEERING SOCIETIES BLDG.**

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